

SENATE BILL 2733  
By Clabough

AN ACT to amend Tennessee Code Annotated, Title 55 and Title 56, relative to the financial responsibility of persons registering motor vehicles.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 55-12-139, is amended by deleting the section in its entirety and by substituting instead the following:

Section 55-12-139.

(a) It is the policy of the state of Tennessee that no vehicle shall be registered or driven on the highways of the state of Tennessee which is not in compliance with the Financial Responsibility Law of 1977.

(b) No registration or renewal of registration of a motor vehicle shall be issued by the commissioner unless the application for registration or renewal is accompanied by evidence that the vehicle and its owner have met the requirements of the Tennessee Financial Responsibility Law of 1977, Tennessee Code Annotated, Title 55, Chapter 12, for the period in which the registration or renewal will be valid. Every registration shall be accompanied by the following notice: "THIS REGISTRATION SHALL AUTOMATICALLY TERMINATE UPON THE FAILURE TO MAINTAIN EVIDENCE SHOWING THAT THIS VEHICLE AND ITS OWNER MEET THE REQUIREMENTS OF THE TENNESSEE FINANCIAL RESPONSIBILITY LAW."

(c) Submission of one (1) of the following shall be evidence sufficient to show a vehicle and its owner have complied with the requirements of the financial responsibility law as required in subsection (b):

(1) A certificate, valid for one (1) year on forms provided by the commissioner from an insurance company authorized to do business in Tennessee stating that a policy of insurance meeting the requirements of the Tennessee Financial Responsibility Law of 1977 has been issued and will be in force during the period of registration or renewal; or

(2) A certificate, valid for one (1) year issued by the commissioner of safety stating that a cash deposit or bond in the amount required by the Tennessee Financial Responsibility Law of 1977 has been paid or filed with the commissioner's office for the period of registration or renewal.

(d) Upon the cancellation or termination of any policy of insurance that was used as a basis of the certificate provided in subsection (c)(1) prior to the expiration of such certificate where no replacement policy is issued the insurer shall within five (5) working days provide notice to the commissioner and to the insured that to the insurer's knowledge the vehicle no longer meets the requirement of the financial responsibility law and that the registration of such vehicle will automatically terminate in ten (10) working days from the date of such notice unless such requirements are met.

(e) Upon the withdrawal of any cash deposit or bond that was used as a basis for the certificate provided in subsection (b)(2) prior to the expiration of such certificate the commissioner shall within five (5) days provide notice to the registrant that to the commissioner's knowledge the vehicle no longer meets the requirements of the financial responsibility law and that the registration of such vehicle will automatically terminate in ten (10) working days from the date of such notice unless such requirements are met.

(f) The registration of any vehicle shall automatically terminate ten (10) working days from the date of notice to the commissioner pursuant to subsection

(d) or (e), unless the owner of the vehicle provides the evidence provided in subsection (c).

(g) The commissioner shall, upon receipt of the notice provided in subsection (d) or (e), immediately notify the registrant that the registration of such vehicle has terminated unless the registrant submits the evidence provided in subsection (c).

(h) Any insurance company which fails to provide the notice required in subsection (d) shall remain liable to the extent of the original policy limits for any accident the policy would have covered during the period of validity of the certificate or until the notice required in subsection (d) is provided to the commissioner, whichever is earlier.

SECTION 2. Tennessee Code Annotated, Section 55-10-303(a), is amended by deleting the language ", parts 1-5 of this chapter and § 55-12-139," and by substituting instead the language "and parts 1-5 of this chapter,".

SECTION 3. Tennessee Code Annotated, Section 55-10-304, is amended by deleting the language ", parts 1-5 of this chapter and § 55-12-139" and by substituting instead the language "and parts 1-5 of this chapter ".

SECTION 4. Tennessee Code Annotated, Section 55-10-305, is amended by deleting the language, ", parts 1-5 of this chapter and § 55-12-139" wherever it appears and by substituting instead the language "and parts 1-5 of this chapter".

SECTION 5. Tennessee Code Annotated, Section 55-10-306(b)(1), is amended by deleting the language ", parts 1-5 of this chapter and § 55-12-139" and by substituting instead the language "and parts 1-5 of this chapter".

SECTION 6. Tennessee Code Annotated, Section 55-10-307(a), is amended by deleting the language ", 55-10-312, and 55-12-139, and may by ordinance" and by substituting instead the language ", and 55-50-312, and may by ordinance ".

SECTION 7. Tennessee Code Annotated, Section 55-10-310, is amended by deleting the language ", parts 1-5 of this chapter and § 55-12-139", and by substituting instead the language "and parts 1-5 of this chapter ".

SECTION 8. Tennessee Code Annotated, Section 55-12-115, is amended by deleting the section in its entirety and by substituting instead the following:

Section 55-12-115.

(a) Within sixty (60) days after the receipt by the commissioner of a record of a conviction of driving under the influence, reckless driving, driving while unlicensed, driving on a suspended or revoked license, driving an unregistered vehicle, driving a vehicle with revoked registration, failing to stop after a traffic accident, refusing to submit to a drug or alcohol test, or vehicular homicide, failure to satisfy a citation or a forfeiture of bail not vacated or failure to pay a fine or penalty to a violations bureau for any of the above offenses, the commissioner shall, unless the record shows that:

(1) The owner of the motor vehicle used at the time of the accident or violation had an automobile liability policy or bond applicable to the vehicle then used;

(2) The operator was then covered by any other form of liability policy or bond or had qualified as a self-insurer under § 55-12-111; or

(3) The motor vehicle being operated at the time of the accident or violation was owned by a carrier subject to the jurisdiction of the department of safety or the interstate commerce commission, or was owned by the United States, this state or any political subdivision thereof, and that such motor vehicle was being operated with the owner's consent;

send notice to such operator requiring such operator to have such operator's motor vehicle liability insurance carrier file within twenty (20) days a certification in writing showing that the operator had in effect at the time of the violation, an automobile liability policy or bond applicable to the motor vehicle then used, or applicable to its operation, or that the operator was then covered by any other form of liability or bond, or had qualified as a self-insurer under § 55-12-111.

(b) In the event the certification from the motor vehicle liability insurance carrier is not received by the department within twenty (20) days, the

commissioner shall suspend the license and all registration privileges of such person, or that person's nonresident operating privileges, if a nonresident, until:

(1) The operator's motor vehicle liability insurance carrier files the certification showing coverage at the time of the violation; and

(2) Such person pays the fee provided for in § 55-12-129, after which time the person will be entitled to the return of driving privileges upon successfully passing a driver license examination.

(c) In the event there was no type of motor vehicle liability insurance protecting the operator at the time of the violation, driving privileges may be regained by submitting a certification of motor vehicle liability insurance from an insurance carrier licensed to do business in this state, making payment of the sixty-five dollar (\$65.00) restoration fee as required by § 55-12-129, and passing a driver license examination.

SECTION 9. Tennessee Code Annotated, Section 55-12-140, is amended by deleting the section in its entirety.

SECTION 10. This act shall take effect July 1, 2004, the public welfare requiring it.